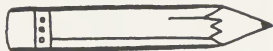


INSIGHT



on Coinage



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EDITORIAL

THANK YOU to all of you who subscribe to Insight on Coinage and also to those of you who are taking the Coin Grading & Authentication Course! I receive about twenty letters per week asking about my publications and classes yet only ten percent actually become involved. This reinforces a message I like to convey to our large national organizations. A majority of the people who read many of the coin publications do not care to become numismatists in the true sense of the word. They are happy being walking coin hoarders and send away for anything offered for free. That's what makes the world go around and I guess I wouldn't want to change it. Think what would happen to our hobby if all these people got a solid "numismatic education" - it would be lots of fun. Many of the complaints and most of the negativism would disappear. That's the reason I'm thankful to those of you who seek more from coins in the way of knowledge than just the benefit of the hobby or investment. Your comments make me feel that I may provide some challenges and entertainment.

I also thank the three or four readers who have offered critical or constructive comments on ways to improve this newsletter. Also THANK YOU to Coin World and Numismatic News for printing so many of my letters and giving me the opportunity to write a column on counterfeit detection. One of the best surprises of my life (honest!) was to have two of my Letters to the Editor appear in the same issue, one with my name and the other with my name withheld!

Finally, I want to thank Nancy, my #1 proofreader and quasi-student; and a few of the living numismatic legends for their subscriptions. They did not need to subscribe at all. Hope all of you are around again for next years Insight on Coinage. HAPPY HOLIDAYS!

TOO HOT TO HANDLE

In my November 12 Numismatic News column on counterfeit detection, I wrote about whizzing. I picked that topic because of the number of very deceptive whizzed coins I have seen lately, and because "whizzing" is one of the numismatic terms that is still being used incorrectly by people who should know better! Let's get this term standardized. Here is the story:

Not too long ago, the American Numismatic Association Certification Service was the only authentication service in the U.S.- not counting the final authority, the Office of Technology of the U.S. Mint, Department of the Treasury. I'll have some really interesting stories about ANACS, the Bureau of the Mint Lab, and Secret Service for you next year. Anyway, as

the ANACS authenticators needed a new word to describe something we saw on a coin we made it up and it became "official". It was a heady time.

When I started working at ANACS, the "official" ANA definition for whizzing was: Any CHEMICAL or mechanical treatment ... Can you believe that? Well I killed that ridiculous "official" definition in the time it took you to read this sentence! It stayed dead for years until like a creep-show monster it arose again to haunt the living and the dead. Don't believe me? Check out page twenty-eight in the new ANA Grading Guide or the definition in Alan Herbert's new book. Remember, don't believe everything you read or hear; go look it up. Then test what you read below.

Alterations are done to coins to change their surface appearance and increase their apparent value. Alterations either add or remove surface metal or design elements on a genuine coin and can be chemical, mechanical, or a combination. Also, the word alteration is NOT applied to official changes done at the Mint. Some common alterations include:

- 1) Adding or removing a mint mark or date numeral.
- 2) Adding, removing, or re-engraving design elements.
- 3) Adding, removing, or changing the original coin's surface.

Whizzing is best described under #3; but it can also remove parts of a coin's design. If whizzing is NOT a chemical alteration, what is it?

By mechanically rubbing the surface of a coin with a fine abrasive, we will create a change in its texture and appearance. We try to describe the amount of abrasion by vague terms. For instance, very light brushing becomes light brushing then light buffing, light polishing, heavy polishing, whizzing, heavy whizzing, and finally complete mutilation! Get the idea? There is a gradual change in a coin's surface with each added degree of brushing ranging from near natural, with a few hairlines (at the beginning), thru mirror-like and rounded (as we continue) until finally large wavy ridges appear on the surface as we mutilate the coin (heavy whizzing).

Some mechanical alterations are virtually undetectable, even using a stereo microscope, until the coin is held in a specific orientation with the light. Others, such as the form of whizzing practiced fifteen years ago, can be detected with the naked eye because of its characteristic appearance. All degrees of whizzing have one trait in common. The coin's natural, mint produced surface is ruined.

We had a dilemma at ANACS when whizzing was a new form of dangerous alteration to coins. When did improper cleaning, polishing, or any other form of abrasion become whizzing? Easy! We decided that as soon as the abrasive process started to push metal into microscopic ridges on the edges of relief surfaces, buffing became whizzing. Thus, our definition at ANACS for whizzing, from the earliest days became:

- * Whizzing - Mechanical buffing, usually in a curved direction, done to simulate mint luster and characterized by the movement of metal into ridges on the surface of a coin.

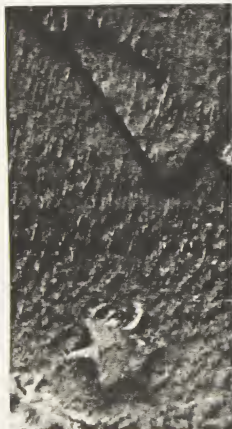
A coin was not truly whizzed unless the ridges caused by a build-up of surface metal were present. Whizzing is NOT A CHEMICAL ALTERATION, in spite of what you may read to the contrary in the glossary of several books including the new ANA Grading Guide.

I believe the "chemical" part of the definition was added by expert consultants who were asked to define terms for grading guides even though

they had never examined whizzed or chemically etched coins microscopically! Mechanical and chemical alterations do not even look similar! Perhaps some confusion began since both types of surface alterations have several common goals. They are done to hide imperfections, conceal damage and repairs, or imitate natural mint luster.

There are different degrees of whizzing. Some older whizzed coins are completely unnatural looking while other alterations are very subtle. These are the types of whizzed coins which I am increasingly seeing. I believe new technologies and materials have markedly changed the degree of surface disturbance. It's as if the new whizzing is being done using goose down bristles rather than wire! Perhaps even plasma sprayed particles are being used! The amount of pushed up metal is miniscule. Who knows, someday, whizzing and chemical etching may become similar!

The photos show different degrees of whizzing: (A) heavy mutilation. (B) usual whizzing, the kind which has been done for years and is not much of a problem for the average dealer or collector. The whizzing in (C) is more deceptive even under a microscope. When the coin was evenly toned (before it was dipped to photograph), it was even more difficult to detect.



A



B



C

IN PERSPECTIVE

I recently read that the three major grading services (PCGS, NGC, and ANACS) have certified nearly three million coins. That's quite a big number. Not counting the small percentage of resubmits, that compares nicely with the entire mintage of 1963 Proof sets. WOW! Is that something to think about or am I just missing something?

BETWEEN THE LINES

This month's column is taken from comments made by David Hall at a PCGS dealers' meeting at Long Beach, CA as reported in the October 30, 1991 Coin World on page #3, under the headline "Hall fields complaints on PCGS grading".

** To the question of whether the standards for grading coins at PCGS have become tighter, Coin World reports that Hall answered that PCGS has become very strict on coin "doctoring". BRAVO! All I can say is that it's about time! Since PCGS began slabbing coins in 1986, knowledgeable numismatists knew that claims about PCGS not grading cleaned or doctored coins were just so much "Hot Air". Maybe now this publication can stop fussing about all the cleaned or altered AU coins graded "Mint State-Something" by Hall's staff of experts. Now, for all you readers who were "smoke-screened", the answer to the original question is YES! PCGS is tightening its standards.

NOTE: Several years ago when I heard that PCGS paid a six-figure salary to one of its new authenticator/graders I sent a resume to Mr. Hall after speaking with him briefly on the phone. I told Mr. Hall he had a great idea and a good product except too many cleaned and altered AU coins were being graded as mint state. I suggested PCGS put me in the grading chain (with a stereo microscope) to kick-out at the very least, all the altered surface coins. I never received a reply. Later, I saw Mr. Hall at a show. Quickly, I looked at the first bourse table to my right, picked out a silver dollar in about two seconds, and asked the dealer if I could walk down the aisle to show the coin to Hall. Handing him the MS-63 Morgan, in reality a cleaned "slider", I said that this is the kind of coin which should not be in a PCGS holder and that's the reason I wished to work for PCGS. Hall looked at the coin and replied that "it was guaranteed".

PCGS and all the grading services are on a learning curve; the more they learn, the tighter their standards will become. "Standards" have been changed in the past and will be changed again. I experienced this learning curve over 10 years before PCGS was even a glint in David Hall's eyes! You'll go through this experience yourself as you learn more.

** To the question of who sets the grading standards for each service, Hall answered that each service sets their own! YES, and that's why there will never be any standardization. I remember as soon as the first grading guide was published by ANA that one major dealer started using MS-63 in his catalogues. There was no MS-63! He made it up to describe the coins which were worth more money than MS-60 but not worth MS-65 money.

** As to inconsistencies in PCGS grading, Hall was open to suggestions. I have a few suggestions for you David. Sorry, I am repeating the same suggestions I gave you in 1988; but there is no new secret to grading.
1) Spend some of your profits to train your Ex-Pert graders. 2) Start examining the coins you grade with a microscope and fluorescent light. 3) Tighten your standards (thank you).

** "Some coins are just hard to grade". Amen. There is no need to make it even harder. See Above. Commercial grading is one of the hardest endeavors to do consistently. Think about that. Why do dealers buy from

each other besides to fill a want-list? One reason is because they don't agree on the commercial grade (spelled P-R-I-C-E) that the other dealer has put on the coin. All grading services will have inconsistencies, some more than others, BUT please don't advertise that your grading is consistent.

** The dealers asked if standards become tighter once more is learned about a coin or more of a particular coin are examined. Good Question. Hall replies that : "We wouldn't become tighter just because more coins become available. We look at the coins." Let me answer the dealers' question a little more specifically. The more of one type of coin a grader examines, the more is learned about the series. This tends to loosen grading criteria in regard to strike and marks but tightens the standards in regard to originality. Also, as the numbers of coins examined increases (two million) for PCGS, the more chance of fluctuations, errors, and multi-graded coins to surface.

** As for grading services damaging coins, I've found that many people actually forget exactly what their coin's looked like when not returned quickly! We do know that sooner or later an accident can happen. One famous case is the high grade Indian Cent I read about that PCGS keeps at its offices. Apparently, a fingerprint developed on the surface and PCGS had to buy the coin back. I'll bet a lifetime subscription to Insight that the fingerprint was placed on the coin deliberately and a check of the print would reveal the culprit if it were either a former PCGS employee, the owner, or previous owner of the coin. What a detective story that would be.

** "We have a financial stake in your being happy with our grade." How true, and that is what's wrong with all the grading services. A grading service is not around to make any group happy. A grading service should provide an unbiased, impartial, accurate and precise grade. This is impossible the way coins are graded now. I believe the only "pure" grading services existed before there was a fee for grading. Grading was done as a no cost extra. At one service I worked for we were tough but fair. It was a practice which guaranteed that we would not become rich, well-liked, or famous. As soon as this service changed its standards to enable it to grade using commercial methods (instead of technical) similar to the other services, dealers who couldn't get 1% of their inventory graded because of surface alterations and cleaning suddenly had a 98% success rate! Money rolled in proving that it's best to make the customers happy.

** Hall was asked about PCGS slabs and boiler rooms. Unfair question. Boiler rooms rarely deal in PCGS or NGC coins. There is no profit. They are expensive and not discounted. Boiler rooms make use of the older photo-certified coins and the Brand-X grading services. On this subject, I did an actual coin count of the slabs at a local show. The results were sent to the CDN and other numismatic publications. Since I have not seen the results published, I'll do a TOO HOT TO HANDLE column for Insight readers.

One note of caution. If you plan to send coins to PCGS to have them regraded and put into the new slabs, expect more grade drops. The learning curve in action.

MARKET NOTES

I thought readers would be interested in the results of a survey I did on certified coins, the second day of the Mid-Atlantic Numismatic Association Show outside of Washington, DC. The idea for this survey came from the Coin Dealer Newsletter Pricing Survey for Certified Coins which was sent to readers of the CDN. The survey seeks grade and price relationships between ten grading services and which services should be included in their publications.

Because of the beautiful Fall weather, The MANA show was a little slow on Saturday, so I decided to count all the certified coins in dealers cases. I only told two dealers what I was doing when they became curious. The results follow:

Forty-one dealers were still at the show on Saturday. Of these, thirteen (32%) did not display any certified coins. This included a few ancient and paper money dealers. Twenty-eight dealers (68%) had at least one certified coin on display. Of these, fourteen (50%) had major displays, ten (36%) a medium number, and four (14%) with fewer than ten slabs. I counted thirteen-hundred and twenty-three (1323) PCGS, five hundred and fifty-two (552) NGC, three hundred and one (301) ANA/ANACS, forty-five (45) PCI/Hallmark (can't tell which without viewing the back), and thirty-eight (38) Compugrade. There were eleven (11) other slabs divided between five different grading services. Since these make up 1% of the total we can assume that they are not relevant for the survey and will not be around for much longer.

PCGS was the most popular slab. Together, PCGS, NGC, and ANA/ANACS accounted for over 95% of the total certified coins. PCI/Hallmark and Compugrade shared the remaining 4%.

I sent the results of my survey to the CDN and suggested that coin collectors would be best served if values for PCGS, NGC, and ANA/ANACS were published weekly as is the case now. NCI values should be dropped completely while PCI/Hallmark and Compugrade values should be published on alternate weeks in the space vacated by NCI as soon as a basis for their value can be established.

I would be very interested to know the results if any readers do a similar certified coin count at other mid-sized shows around the U.S.

BACK TO BASICS

When you examine your coins closely, a majority of them will have scrapes and nicks from contact with other coins or hard objects. One glance at the population reports by the grading services will bear this out, as most coins fall into the lower mint state ranges. These marks on a coin's surface are one of the major factors considered when grading mint state coins. They also affect another important factor, the eye appeal of a coin.

Even though marks on a coin's surface result from many different causes, they are usually called bag marks by a majority of numismatists. Undoubtedly, most marks on coins came about by contact with other coins in a mint bag during transport or storage (bag mark); however, that is not the whole story. Some like to divide the marks on a coin's surface into two groups. The first group consists of marks which were on the planchet of a coin before it was struck and were caused during various stages of the coin making process. The next group of marks occur after the planchet

is struck into a coin. This month I'll examine the first group.

Our coins are made by striking a thin disc of metal, the planchet, between two dies. During the manufacture of the planchets, all manner of mechanical and chemical processes take place. Marks can occur from damage to the strip from which the disc is punched, or contact with other planchets in coin riddles, while being transferred into bins, and even while being cleaned or annealed in revolving containers. Next time you attend a coin show, take a look at a blank planchet to see what these contact marks look like. Then find a planchet which has been struck off-center and see how the pressure of making a coin has effaced all the little contact marks found on the unstruck portion. That's what is supposed to happen when all aspects of the minting process are working perfectly. Coins are struck with nice detail and nick-free surfaces.

This is not always the case. Some of our coins are not struck-up properly. In a future article we'll discuss the reasons for this; but for now we'll just say it happens on some series of coins more than others. When examining the surface of a coin which is not fully struck, you will see a number of "original planchet surface impact marks" (OPSI) on the weak areas of the design or field. These marks were on the coin when it left the die and are not damage to the coin; but they can be detracting. Many commercial graders include them with bag marks and deduct points for eye appeal. All the bag marks and scratches on the coin photo (below left) are the result of impact damage. All but two or three of the marks on the bow of the flatly struck \$3 (below right) are OPSI marks.



How can you differentiate between OPSI marks and bag marks? It is fairly easy once you learn what to look for. Original planchet surface marks will have soft, rounded edges and often dull, original planchet color surfaces. They will usually be found in high relief or weakly struck areas of a coin's surface characterized by slight roughness.

These surfaces may exhibit a different type of mint luster than found on other parts of the coin's surface.

Impact damage to a coin, including bag marks, will have sharper edges with a bright damaged surface if the coin is untoned. In any case, with enough magnification, the inside of most bag marks will look different than the contact marks found on planchets before striking.

BOOS AND GEMS

**** Gem:** My vote for BEST SERIES OF ARTICLES ON COIN AUTHENTICATION AND GRADING goes to William T. Gibbs of Coin World for his Collectors Clearinghouse articles on doubled die coins which started 10/30/91. He made a difficult concept crystal clear. READ IT!

**** Gem:** I cannot recall if I've ever put this "gem" into print but I've thought about it so much that it seem's I have. One trick in the advertising business is to clip ads already appearing in another place and send them with the price it would cost to run the same ad in your publication. One of the BEST DEALS in numismatics is the free ads for subscribers to Numismatic News. That's right, free. When I get rate cards from other publications, I mail it back and tell them about the real savings I get from Numismatic News. It pays for the subscription and you get results from the ads! GOOD DEAL!

**** Gem:** I figured he would kill me for this; so I asked his permission to write this. At a local show, I asked to see some Morgan Dollar rolls at a dealers table. He had the coins spread out and the rolls priced as a "lot". I saw a variety I wanted and explained to the dealer that I only wished to buy one or two coins from the roll. It was a common date roll dated 1921. I even offered to pay a premium for the coin or buy the whole roll, take my coin out, and sell him back the roll. Lucky for me that the show was not crowded and that I stumbled on to a "collectors" dealer who let me look through a few of his rolls and sold me a few hand-picked coins at the roll price. Thank you DEL GRECO COINS of Weymouth, Mass!

COMING UP

BOOS & GEMS is becoming the "If you can't say something nice ... column". So real soon, I'll have one of those rare blockbuster BOOS which rates the front page spot normally saved for TOO HOT TO HANDLE! It's the kind of misinformation you don't believe you are reading like this month's article about whizzing being a chemical alteration. We'll use it as bait to get readers to renew their subscriptions.

Speaking of renewals, I eventually want to lower the price of this newsletter. As our readership grows, I will begin to place display ads in the various coin publications. Soon after you begin to see them, I will find a way to reward my "Charter Subscribers" which will include anyone with a full twelve issue subscription (new or about to expire) as of the first day of January. Those reading Insight at a trial rate, are not subscribers.

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The Coin Cleaning Process

By F. Fazzari

Adding or Subtracting from your coin's value?

Most coins have been cleaned at some time. Cleaning is a neutral process which can be good or bad for a coin. Even though countless coins have been preserved by proper cleaning, usually the word "cleaned" conveys a negative feeling. This is because most numismatic references narrowly define the word "cleaned" to describe coins ruined because of improper cleaning materials or methods.

Additionally, we often read about cleaning as a process which hides damage or the evidence of circulation on coins.

The two "key" words in the paragraph above are improper and proper. Coins which are cleaned properly will be preserved and not show any noticeable signs of cleaning to impair their appearance. After cleaning, these coins will increase in value or retain their value depending on eye appeal. Coins which are improperly cleaned decrease in value, again depending on the result.

Cleaning can be thought of as either mechanical or chemical. With either of these cleaning methods, the degree of cleaning and the skill of the technician determines how noticeable the final result will be. Mechanical cleaning is characterized by the physical contact of a cleaning instrument with the surface of the coin. With chemical cleaning, the nature of the cleansing agent and its reaction with each type of coinage metal influences the outcome. On many occasions, cleaning is a combination of both methods. Soap and water, which has been recommended for cleaning coins by some experts, provides a good example of this. Swishing a coin around in a soap solution is just simple chemical cleaning, but as soon as we



rub its surfaces in the solution, then it becomes both a mechanical and chemical treatment. Most of the effects of cleaning are cumulative. Even brushing a coin, with a soft brush, will eventually leave a trace. At some point, brushing can even remove enough metal from a coin to lower its grade.

Evidence of mechanical cleaning, or even improper drying of a coin after chemical cleaning, usually appears as microscopic parallel scratches. As with most scratches on coins, to best see them you must tip and rotate the coin in the light. A few random, fine scratches, which we call hairlines, do not always indicate cleaning or buffing. In addition to scratches, powders and polishing rouges often leave a residue inside the small recesses of a coin's design. Another clue to cleaning is often noticeable around the raised (relief) areas of a coin where the mechanical device doesn't come into direct contact with its surface. This leaves a small, untouched area next to the relief which creates a contrast between the natural and unnatural surfaces and a "ring" around the

design. We call this a "halo-effect".

In most cases, chemical cleaning is harder to detect than mechanical. At the same time, it's probably the most harmless type of cleaning when done correctly. The skill of the technician, concentration of the chemical used, and the duration of treatment all play a role in the final result. Commercial chemical cleaning dips can be tricky to use. Even if a coin is chemically cleaned correctly, improper drying, rinsing or handling may ruin it! Excessive dipping of a coin will eventually change its surface characteristics in ways which become noticeable to the eye. The color or "look" of an improperly cleaned coin will not be the same as a natural coin.

A coin's value is very tricky to quantify. This is because there are many variables involved besides whether it has been cleaned improperly. With regard to cleaning, the change in value depends on whether the traces of cleaning are apparent to the viewer. A person who does not detect any damage done by improper cleaning will "value" a coin as if it were natural. Some people even prefer the appearance of a polished or cleaned coin over a natural one!

There is no secret to detecting improper cleaning. The most important prerequisite is to know what a natural coin looks like. Until you learn what natural mint luster looks like and become familiar with detecting cleaned coins, it's best if you avoid coins with dull luster. Dark toning can also hide evidence of cleaning.

I'll leave you with the usual warning, don't clean your coins unless you understand the proper methods.

F. Fazzari teaches authentication and grading seminars and offers a coin grading correspondence course.

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Dear Newsletter Subscribers/Correspondence Course Students:

As some of you may know, I have just completed a move to Chattanooga, TN to become the Chief of the P.C.I. Authentication and Grading Laboratory. This is quite a change, but more on this later. I've enclosed an article for your enjoyment which appeared in the Collector's Edition magazine at the Long Beach Show. You'll be receiving your next lesson/newsletter soon!

